

ARIZONA STATE SENATE

45TH LEGISLATURE
FIRST REGULAR SESSION

MINUTES OF COMMITTEE ON APPROPRIATIONS

DATE: March 6, 2001

TIME: 8:00 a.m.

ROOM: 109

CHAIRMAN: Senator Solomon

VICE CHAIRMAN: Senator Bee

ANALYST: Deborah Johnston

**COMMITTEE
SECRETARY:** Melissa C. Upshaw

INTERNS: Timothy Bowers and Julie Myers

ATTENDANCE

BILLS

<u>Committee Members</u>	<u>Pr</u>	<u>Ab</u>	<u>Ex</u>	<u>Bill Number</u>	<u>Disposition</u>
Senator Arzberger	X			H.B. 1269	DPA
Senator Cirillo	X			H.B. 1508	DPA
Senator Guenther	X			H.B. 1159	DPA
Senator Hamilton	X			H.B. 1538	DPA
Senator Hellon	X			H.B. 1302	DPA
Senator Martin	X			H.B. 1311	DPA
Senator Mitchell	X			H.B. 1391	DPA
Senator Nichols	X			H.B. 1008	DPA
Senator Rios	X			H.B. 1420	DPA
Senator Verkamp	X			H.B. 1017	DP
Senator Bee, Vice Chairman	X			H.B. 1058	DPA
Senator Solomon, Chairman	X			H.B. 1093	FAILED

BILLS (Continued)

<u>Bill Number</u>	<u>Disposition</u>	<u>Bill Number</u>	<u>Disposition</u>
H.B. 1120	DPA	H.B. 1194	DP
H.B. 1154	DPA	H.B. 1325	DPA
H.B. 1164	DPA	H.B. 1465	DPA
H.B. 1220	DPA	H.B. 1266	DPA
H.B. 1277	DPA	H.B. 1305	DISCUSSION/HELD
H.B. 1286	DP	H.B. 1498	DPA
H.B. 1328	DPA/SE	H.B. 1517	DPA/SE
H.B. 1532	DPA		

GOVERNOR'S APPOINTMENTS

Tape 1, Side A

Chairman Solomon called the meeting to order at 8:06 a.m. and attendance was noted. For additional attendees, see Sign-in Sheet (Attachment A).

APPROVAL OF MINUTES

Without objection, the minutes for January 30, 2001 and February 13, 2001 were approved as distributed.

CONSIDERATION OF BILLS

Chairman Solomon announced that the bills not heard on today's agenda would be postponed until Friday. She advised the public to make their testimony brief and to the point, and for members to ask questions that need to be clarified.

S.B. 1269 - special education; institutional placement - DO PASS AMENDED

Juliet Spiesman, Education Intern, explained S.B. 1269 modifies the definition of special education to include students between the ages of 3 and 22 years for the Arizona State Schools for the Deaf and Blind (ASDB). The 2-line Solomon amendment, dated March 1, 2001, 12:09 p.m., makes a technical change to the ages for which ASDB provides special education services to its pupils. The amendment changes the age range from 3 through 22 to 3 through 21 so as to conform to existing law. Ms. Spiesman said that after the fact sheet had been distributed, the Joint Legislative Budget Committee (JLBC) prepared a fiscal note factoring in the general fund offsets, and the impact of the amendment to the state general fund is \$126,800 in fiscal year 2002 and \$152,800 in fiscal year 2003. She said Patrick Fearon of JLBC was present to answer any questions.

Chairman Solomon noted that **Dennis P. Russell, Regional Superintendent of Northern Arizona, ASDB**, was present in support of the bill.

Senator Bee moved S.B. 1269 be returned with a DO PASS recommendation.

Senator Bee moved the 2-line Solomon amendment dated 3/1/01; 12:09 p.m. be ADOPTED. The motion CARRIED by voice vote (Attachment B).

Senator Bee moved S.B. 1269 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED by a roll call vote of 10-0-2 (Attachment 1).

S.B. 1508 - appropriations; UA south campus programs - DO PASS AMENDED

Juliet Spiesman, Education Intern, explained S.B. 1508 appropriates \$500,000 in each of fiscal years 2001-2002 and 2002-2003 from the state general fund to the University of Arizona (U of A) for expanding the south campus access learning center. There were two amendments being proposed. The 3-line Solomon amendment, dated March 5, 2001, 8:52 a.m., reverts unencumbered and unexpended monies to the state general fund. The 5-line Bee amendment, dated February 21, 2001, 9:58 a.m., adds seven full time employees (FTEs) to the \$500,000 appropriation for fiscal year 2001-2002. The amendment also changes the appropriation in fiscal

year 2002-2003 so that \$1.5 million and 15.9 FTEs are appropriated from the state general fund to U of A.

Chairman Solomon informed the members that there are a number of university bills moving. U of A has filed a number of bills and this is the only bill that she is hearing. She knows that there has been a lot of discussion about U of A "pork." She would hope that all of the university issues would be determined in the budget, not by bill.

Senator Bee moved S.B. 1508 be returned with a DO PASS recommendation.

Senator Bee moved the 3-line Solomon amendment dated 3/5/01; 8:52 a.m. be ADOPTED. The motion CARRIED by voice vote (Attachment C).

Senator Bee moved his 5-line amendment dated 2/21/01; 9:58 a.m. be ADOPTED. The motion CARRIED by voice vote (Attachment D).

Senator Bee moved S.B. 1508 be returned with an AS AMENDED, DO PASS recommendation.

Dr. Randy Groth, Dean, U of A South, said he would like to remind everyone that while Chairman Solomon mentioned U of A and the idea about "pork," U of A South is one of the institutions that currently has three facilities that have been built by private dollars. The third is currently being constructed and near completion. Mr. Groth pointed out this bill would satisfy some of the healthcare issues in rural areas in terms of the nursing program, a new degree program that is not being offered at U of A. He noted that U of A South was primarily built with private dollars and that a new building would break ground on May 1st. The Legislature appropriated funds for this building two years ago and this would be the fourth building.

Ken McCray, Owner Kennedy Building, Private Industry, Sierra Vista, in support of the bill, said he has lived in Sierra Vista for 21 years and currently employs about 100 people in his contract cleaning and janitorial services in southeast Arizona. The bill is important to his people in the social economic class that is dealt with in his industry. He urged the Committee to support the bill.

Tom Hessler, Mayor of Sierra Vista, brought greetings from Sierra Vista. He stated that Sierra Vista strongly supports the bill. He indicated that Sierra Vista, ranking in population behind Flagstaff, is the economic, commercial and cultural center of southeastern Arizona. All of their growth in recent years has been quality growth and they are maturing. Mayor Hessler said the health facilities are building a new campus that will serve all of southeastern Arizona, noting that there is a strong need for nurses. He urged the Committee for their support stating that it would be an investment well worthwhile.

Chairman Solomon thanked Mayor Hessler for the distance he traveled to present his testimony.

Chairman Solomon noted that **Charlene Ledet, Special Assistant, University of Arizona (U of A)**, was present in support of the bill.

The motion to return S.B. 1508 CARRIED with a roll call vote of 10-0-2 (Attachment 2).

Senator Martin commented that as an ASU graduate he would really like to vote no, but he is here to represent the entire State so he will vote "aye."

Senator Rios commented that if the former Mayor of Tempe and the Sun Devils could vote for it, so could he, he voted "aye."

S.B. 1159 - adoption; fingerprint screening; expedited processing - DO PASS AMENDED

Barbara Guenther, Family Services Analyst, said the bill allows the Department of Economic Security (DES) to electronically transmit applicant fingerprints from prospective adoptive parents to the Department of Public Safety (DPS) when technology is available. It requires DPS to electronically transmit applicant fingerprints to the Federal Bureau of Investigation (FBI). The first part would speed up the process by about 8 days. The second transmission from DPS to the FBI would shorten the process from 4-6 weeks down to 2-3 days. Ms. Guenther said there was an amendment in the Family Services Committee, which added an appropriation of \$2 million in fiscal year 2001-2002 from the Arizona Corrections Industries (ACI) Fund to DPS to pay for the initial start up cost of this electronic transmission for applicant fingerprints and \$900,000 in operating costs from the ACI Fund in fiscal year 2002-2003. The 16-line Solomon amendment, dated March 2, 2001, 2:24 p.m., is similar to the Family Services amendment except that it does not incorporate the \$900,000 operating costs. It merely appropriates \$2 million in fiscal year 2001-2002 from the ACI Fund to DPS for the initial procurement and associated costs in starting up the applicant fingerprint transmission from DPS to the FBI. The amendment does exempt the appropriation from lapsing, except that all unexpended funds at the end of the two-year biennium would revert to the state general fund. She pointed out that this would allow DPS to transmit all applicants' fingerprints to the FBI, not just perspective adoptive parents, including those involved with childcare, the schools, and children's services.

Senator Cirillo noted that the fact sheet states, "that when technology is available." He questioned if there was a date. He asked if this meant when the State buys the technology, which is already available, or that the technology to do this is not available yet. Ms. Guenther said this means when the State is ready to purchase and install the technology. Currently DES does have a digital scan, which scans one or two fingerprints in order to identify a person, but in order to do a criminal background clearance check, which is required by DPS and the FBI, the full ten digits are requested. So it does involve more sophisticated technology than the departments currently have.

Senator Cirillo questioned if there is a time lag, why is this not an appropriation for the second year of the biennium rather than the first year of the biennium.

Chairman Solomon said she has seen a demonstration of the equipment and the equipment is available. It is just a matter of purchasing the equipment and putting it in place. She does not have a problem with the time lag because it will take some time to do a request for proposal for the equipment.

Chairman Solomon said Senator Peterson, sponsor of the bill, was not present and there was no one wishing to speak on this issue.

Senator Bee moved S.B. 1159 be returned with a DO PASS recommendation.

Senator Bee moved the 16-line Solomon amendment dated 3/2/01; 2:24 p.m. be ADOPTED. The motion CARRIED by voice vote (Attachment E).

Senator Bee moved S.B. 1159 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED by a roll call vote of 10-1-1 (Attachment 3).

Senator Rios explained his vote. He said he does support the legislation and will be voting "aye." He expressed his hope that the ACI Fund will allow the appropriations amount to be taken out of that fund, but he does vote "aye."

S.B. 1538 - appropriation; Navajo senior centers - DO PASS AMENDED

Kathy Seeglitz, Research Assistant Analyst, said the bill appropriates \$4 million in fiscal year 2001-2002 from the state general fund to the Department of Economic Security (DES) to be combined with \$2 million from the Navajo Nation for capital costs associated with senior center facilities for Navajo Nation chapters. It requires the Navajo Nation to develop a plan for equitable use of the monies to address the needs of no more than half of the chapters in fiscal year 2001-2002 and the remaining chapters in fiscal year 2002-2003. The 9-line Solomon amendment dated March 2, 2001, 2:37 p.m., changes the appropriation from \$4 million to \$2 million with \$1 million appropriated in each of the next two fiscal years and it changes the Navajo Nation contribution from \$2 million to \$1 million. The amendment requires any monies that are unexpended and unencumbered on June 30, 2004 to revert back to the state general fund.

Senator Jackson, sponsor of the bill, stated that there are 61 chapters on the Navajo reservation, and they are in need of facilities for the senior citizens. He said his priority has always been education. He thinks the Legislature has taken care of education over the last few years with Proposition 301. Now he would like to focus on senior citizens. The Navajo Nation would like to take care of half of the 61 chapters in the first fiscal year and the remaining half in the following year. He informed the new members of the Senate that starting today, a group of Native Americans will gather outside of the Capitol until the end of session hoping that the Members will vote "yes" on their bill. He pleaded to the Committee for their support to approve the appropriations in his proposed legislation.

Senator Cirillo said he did serve on a committee in the interim with Representative Laughter, which went greatly into depth on this subject. He said this is a good proposal and he is supportive.

Senator Jackson said if the State lowers their share of the \$2 million, the Navajo Nation will also lower their share. They might not be able to do the work they wanted to do.

Chairman Solomon expressed her concern on lowering the appropriations cost as well. As everyone knows, the Governor has lowered her revenue projections substantially and the Committee will be lowering its projections at the end of this week as well. Once the Committee has taken care of its obligations to the State agencies, there may not be any discretionary money. However, that remains to be seen. She has attempted to move as many bills forward as possible, and when they get to the point where they know exactly what they have available, there might be adjustments upward or downward depending on the will of the Members. She appreciated Senator Jackson's remarks.

Senator Verkamp stated that yesterday on the floor he and Senator Jackson discussed a possible floor amendment to provide funding for the Hopi senior citizen center. Before he votes on this bill,

he would like to know if Senator Jackson is okay with his intentions of running a floor amendment. Senator Jackson said it was okay with him.

Melor Willie, Executive Staff Assistant in the Office of the President and Vice-President of the Navajo Nation, stated that he is present on behalf of President Kelsey Begay and Vice-President McKenzie who could not be here today. He said the Navajo senior center has been the number one priority of President Begay. The Navajo Nation has been working very hard in collaboration with Navajo communities and chapters to identify those senior centers that are in need on the Navajo Nation. In addition, they have correlated information with the State District 3 Legislators, who also consider senior centers as their first priority. During the past summer the Navajo Nation worked with the study committee to identify the senior centers that most needed to be funded: Teesto, LeChee, Low Mountain, Ft. Defiance, Rough Rock, Birdsprings, Dennehotso, Dilkon, Mexican Water, Cove, Blue Gap, Greasewood, Chilchinbeto, White Cone, Sweetwater, Wide Ruins, and others. Mr. Willie said the senior centers provide a variety of service to the Navajo People. Many seniors would travel a long distance just to get together once a day for an afternoon meal. The senior centers also have the Meals on Wheels project that delivers meals to the seniors who are not able to get to the senior centers. He said the Navajo Nation values its seniors, as they are seen as a most definite resource for the Navajo culture and tradition.

Chairman Solomon announced the following people were present in support of the bill and did not wish to speak: **Kevin Ben, representing the Navajo Nation; Lauren Bernally, Development Director, Diné College; and Ferlin Clark, Director of Philanthropy, Sage Hospital.** Chairman Solomon thanked those present for traveling a long distance to be here today.

Senator Bee moved S.B. 1538 be returned with a DO PASS recommendation.

Senator Bee moved the 9-line Solomon amendment dated 3/2/01; 2:37 p.m. be ADOPTED.

Senator Cirillo said he understands the Committee is lowering the appropriation. He asked if there should be something in the amendment addressing the match because the Navajo Nation might not match the \$2 million if the appropriation is cut down. Chairman Solomon said that has been addressed.

The motion CARRIED by voice vote (Attachment F).

Senator Bee moved S.B. 1538 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED by a roll call vote of 11-0-1 (Attachment 4).

S.B. 1302 - nursing care institutions; incentive grants - DO PASS AMENDED

Meghann Brennan, Health Intern, said the bill appropriates, subject to availability, \$3 million in fiscal year 2001-2002 from the tobacco tax medically need account to the Department of Health Services (DHS) to award quality rating financial incentive grants to nursing care institutions. The 22-line Solomon amendment, dated March 1, 2001, 12:17 p.m., reduces the appropriation from \$3 million to \$1.5 million in fiscal year 2001-2002. It specifies that nursing care institutions must receive back-to-back excellent ratings in two consecutive years as well as meet all the criteria for the nursing and resident rights component of the survey to be eligible for a grant. Grant monies must be used for direct care nonadministrative staff to improve the quality of care. It caps each

grant at \$50,000. Ms. Brennan noted that there is a segment of session law that requires DHS to submit a report to the House and Senate Health Committees of Reference on the new criteria and rating system for the survey.

Senator Bee moved S.B. 1302 be returned with a DO PASS recommendation.

Senator Bee moved the 22-line Solomon amendment dated 3/1/01; 12:17 p.m. be ADOPTED.

Chairman Solomon noted that this amendment is identical to the amendment that Senator Gerard asked to be moved in the Health Committee.

The motion CARRIED by voice vote (Attachment G).

Senator Bee moved S.B. 1302 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED by a roll call vote of 10-0-2 (Attachment 5).

Chairman Solomon announced the following were present in support of the bill indicating to speak if necessary: **Donald Vance, Designated Lobbyist representing American Association of Retired Persons (AARP); Donald Isaacson, Legislative Counsel, Arizona Association of Homes and Housing for Aging; and Lisa Wynn, Deputy Assistant Director, Arizona DHS.**

S.B. 1311 - health care institutions; licensure - DO PASS AMENDED

Kathy Seeglitz, Research Assistant Analyst, explained S.B. 1311 makes numerous changes to the health care institutions statutes. It authorizes the Department of Health Services to use monies generated from fines levied against certain health care institutions for the relocation of residents from closed facilities and to maintain a facility pending closure or correct facility deficiencies. The Health Committee adopted an amendment, which modifies the definition of license capacity and specifies that license capacity for a hospital only includes the beds specified on the hospital license. Ms. Seeglitz said the 5-line Solomon amendment, dated March 1, 2001, 1:15 p.m., is identical to the Health Committee amendment, so it modifies the definition of license capacity and specifies that the license capacity for a hospital only includes the beds specified on a hospital license.

Senator Bee moved S.B. 1311 be returned with a DO PASS recommendation.

Senator Bee moved the 5-line Solomon amendment dated 3/1/01; 1:15 p.m. be ADOPTED.

Chairman Solomon informed the Members that this amendment is identical to the amendment that passed the Health Committee.

The motion CARRIED by voice vote (Attachment H).

Senator Bee moved S.B. 1311 be returned with an AS AMENDED, DO PASS recommendation.

Chairman Solomon announced the following people were present in support of the bill indicating to speak if necessary: **Donald Vance, Designated Lobbyist representing American Association of Retired Persons (AARP);** and **Lisa Wynn, Deputy Assistant Director, Arizona DHS.**

The motion CARRIED by a roll call vote of 10-0-2 (Attachment 6).

S.B. 1391 - appropriations; mental health institute - DO PASS AMENDED

Jason Bezozo, Health Analyst, explained S.B. 1391 attempts to fulfill a recommendation from the task force on improving the Arizona mental health system. That recommendation in the final report and was for the Legislature to consider establishing a mental health research institute in this State with a mission to discover causes to predict, prevent and find new treatments for mental illness. Specifically, this legislation appropriates \$2.5 million in each year of the biennium from the state general fund to DHS for the establishment of a mental health research institute, which matches private sector monies. The 8-line Solomon amendment, dated March 5, 2001, 9:46 a.m., changes the source of funding for the appropriation from the state general fund to the medical services stabilization fund, consisting of tobacco tax revenue. In addition, the amendment reverts monies that are unexpended by June 30, 2005. The second amendment dated March 5, 2001, 4:31 p.m., contains an intent clause, which also specifies that the matching monies have to be a dollar-for-dollar match. It also requires applicants for these grant monies to apply to DHS and for DHS to only consider those entities that are non-profit entities that have agreements with public universities and research centers in this State. In addition, it exempts DHS from the procurement process and requires the recipients of the grant monies to commission an independent audit to evaluate the expenditure of the grant monies.

Senator Bee moved S.B. 1391 be returned with a DO PASS recommendation.

Mike Myer, Senior Vice President, Steering Committee - Arizona Mental Health Research Institute, said it is unusual for him, as a member of the private sector, to appear before the Committee and more unusual for him to ask the Committee to support this legislation. Mr. Myer works for a company called Witt/Kieffer and has spent his entire career in healthcare. He has been involved with medical organizations that do medical research for a long time. About a year and a half ago he was appointed to the Bush Commission on Mental Health, the task force that issued a number of recommendations at the end of 1999. One of the suggestions that came out of that Commission was the idea of looking at creating a research institute here in Arizona to create significant clinical benefits in this area. A private group of individuals started meeting about a year and a half ago. The individuals include representatives from Barrows, the universities, legislators, individuals from the private sector, as well as community health advocates. The idea was to see if an institute could be created. "Is Arizona the right place to do this? How do we compare to other states in the country? Do we have critical mass? What would it take?" They engaged a consultant about six months ago to look at the feasibility. The consultant submitted a report stating it is feasible to do this, and the timing is quite right. Mr. Myer was intrigued when he looked at the amount that is being spent on mental health in this State and the amount that is going to be spent in the future.

Mr. Myer highlighted some economic points for the Committee to consider in supporting this legislation. 1) Medical research provides significant economic growth for states that are big in this area. The National Institute for Health (NIH) dollars that flow into this State are significantly underfunded. For example, Colorado gets three times the amount of grant dollars from the NIH than the State of Arizona does. The State has the opportunity to capture research dollars that

come from the private and public sectors. 2) President Bush has proposed the largest increase to the NIH budget in the history of NIH. Arizona has a wonderful opportunity to form this institute and grab onto some of those dollars in a private/public partnership. 3) The State is losing great students who are trained here at the universities and then leave to go elsewhere. This would be a great opportunity to keep these students here. 4) Finally, he said the hope is that this institute, will find some solutions that might gradually allow the state to spend less in this area. He urged the Committee for their support.

Senator Cirillo stated the State has been in a broil for over twenty years in *Arnold vs. Sarn*, and doing something like this may have some impression on the judge in the case. Mr. Myer said he would hope so. He would hope that people would look at this as visionary and well thought out. It is rare for him to come here asking for matching dollars, but these matching dollars are needed first because of the dollars, but because the Committee needs to go to the private sector and say that this State is committed to this issue.

Chairman Solomon stated that it is important for the Members to know that the expectation is that the steering committee will work closely with ASU on the research that they are presently conducting.

Senator Gerard, sponsor of the bill, thanked the committee Members for hearing this legislation. She is glad that Mr. Myer was able to speak first and present the mission statement of the steering committee. She knows this is a little different from the issues that normally come looking for help from the Legislature, but she hopes the Committee will stick with them on this. If this money can be raised, that is the beginning of bringing in more money. But if a couple of world class researchers are brought in, then they have the ability to bring in NIH and other research dollars. It is not unheard of for these kinds of researchers to bring 50 million research dollars into a state and community. That in turn aids not only economic development and the potential to better treat illnesses, but also it provides actual clinical therapeutic opportunities for the people in this State. She knows the bill itself is very short on detail, but if the Committee does not have a copy of the feasibility study she can provide a copy for them. They have done a lot of background work and are now working on a business plan as well. She said there might be a statement that the steering committee is not ready this year. They are concerned about the two-year budget cycle. They are concerned that they may have lost the opportunity if they wait two years to come down to the Legislature to try to get some money to get started. If the State does not move now, she is afraid it will lose its chance.

Senator Bee moved the 8-line Solomon amendment dated 3/5/01; 9:46 a.m. be ADOPTED. The motion CARRIED by voice vote (Attachment I).

Senator Bee moved S.B. 1391 be returned with an AS AMENDED, DO PASS recommendation.

Chairman Solomon announced the following were present in support of the bill: **Joe Abate, Attorney representing the Arizona Council of Human Service Providers, Arizona Osteopathic Medical Association, Arizona Psychiatric Medical Association; Cheryl Collier, Executive Director, Mental Health Association of Arizona; Julie Scott, Community Outreach Manager, Mental Health Association of Arizona; and Donald Vance, Designated Lobbyist, AARP.**

The motion CARRIED by a roll call vote of 10-0-2 (Attachment 7).

S.B. 1008 - interstate compact; adult offender supervision- DO PASS AMENDED

Sheryl Rabin, Judiciary Analyst, said the existing parole and probation interstate compact was created in 1937. A number of national associations relating to probation and parole have endorsed the idea of new updated compact. Thirty-five states or territories must pass the compact before it takes effect. As of yesterday, the compact had been signed into law in thirteen states, legislation had been sent to the Governor in another state, and seven states including Arizona have legislation in progress. Under the bill, the Interstate Commission will collect an annual assessment for each compacting state to cover the costs of the Commission. Assessments are based upon a five tier annual assessment structure and the cost to Arizona is estimated by the Joint Legislative Budget Committee (JLBC) to be \$23,000 to \$38,000 beginning in fiscal year 2003. The Judiciary Committee adopted an amendment that changes generic language in the bill to make the language more specific to Arizona. For example, instead of using "from the compacting state" the amendment would change the language to "from Arizona." The amendment also states that Arizona's assessment shall not exceed \$25,000 unless approved by the State Council and appropriated by the Legislature. The 2-page Solomon amendment, dated March 1, 2001, 10:35 a.m., is identical to the Judiciary Committee amendment.

Senator Cirillo said if his math is right there would be a total of 21 states. He asked what the prognosis is for getting the other 17 in order to reach the 38 mark, and how long that is going to take. Ms. Rabin said she does not know what the prognosis is for the other states and when they might consider introducing legislation. Senator Cirillo said the State went through this with the ERA amendment many years ago where 20 states quickly joined and it died on the vine after about eight years. He said it really does not cost the State anything to do this, but he is wondering if it is ever going to happen.

George Diaz, Legislative Officer representing the Administrative Office of the Courts, said the Courts are asking the Committee to support this legislation. The interstate compact for adult offenders regulates the supervision of probationers and parolees that come in and out of the State. S.B. 1008 replaces and updates the State's existing 63-year old compact with legislation that does five things: 1) standardizes a definition of supervision, 2) implements consequences for noncompliance, 3) implements the system to monitor the flow of offenders from state-to-state, 4) authorizes state councils, and 5) authorizes Arizona's participation in the Interstate Commission. There are 19 states that are considering this legislation this year, 13 states have already adopted it. Over the course of this summer, 35 states may be adopting this. Arizona has been the frequent recipient of offenders who arrive without proper notification. When this happens, the offender goes unsupervised without treatment and poses a greater risk to our communities. The provisions of this compact facilitate compliance through proper notification, education, mediation and enforcement. Mr. Diaz said he is available for questions, but he does have an expert, **Dori Littler, Deputy Compact Administrator for Arizona Probation**, who is here with him.

Senator Smith, sponsor of the bill, thanked Chairman Solomon for hearing this legislation. The bill is a good bill. If this is not done, these offenders come into the State commit crimes without the State knowing they are here. He does not think the appropriation for this bill is an exorbitant amount of money. Arizona will probably end up being a receiving state, receiving more people than the amount that will be leaving. He said that George Weisz of the Governor's staff and the Courts are in support of this legislation.

Senator Cirillo asked if 35 states pass it and 15 do not, are those 15 states in the system and have to follow this compact? Mr. Diaz said the 15 states would not have to adopt this legislation or abide by it, but they would also not benefit from it. He added that all of Arizona's neighboring states have either adopted this or are in the process of adopting it this year.

Senator Martin said if a state is not one of the first 35 states, the state will not have voting power in adapting, adopting, changing and adjusting as it goes through the process later on.

James Hamm, Director of Legal Services, Middle Ground Prison Reform, stated that they do not oppose the purpose of this bill. His opposition is to how it is happening. There is a clear distinction that needs to be drawn about the assessment that is in the bill, which is capped off by a specific dollar amount. It cannot be over that amount unless the State Council recommends it and the Legislature approves it. That assessment is for paying the cost of operating the interstate compact committee, rent, utilities, salaries, buildings, and equipment. Once the bill is passed and in the compact, the Interstate Compact Commission can pass rules that automatically become law within the State and they automatically overrule any conflicting law: The State has waived all of its right to judicial review of any of those rules. In addition to that, if the Committee listened to the person who spoke before him, he indicated the bill did five things and the third thing was to impose sanctions on states that do not comply with those rules. That means they can impose a fine upon the state and the State Department of Corrections has to pay it automatically. The Legislature cannot challenge it because their right has been waived to go to court under this bill. The waiver is found on page 10 lines 39 to 41. He said that fine becomes a burden. If this bill is passed, the Committee is leaving an open appropriation that is granted by someone outside the State.

Tape 1, Side 2

Senator Rios asked if that happened, could Arizona then say it did not want to be part of the compact and just get out? Mr. Hamm said Senator Rios is correct. They could just withdraw and they would only be responsible for any previously committed encumbrances to the Interstate Compact Committee as of that date and time.

Senator Bee moved S.B. 1008 be returned with a DO PASS recommendation.

Senator Bee moved the 2-page Solomon amendment dated 3/1/01; 10:35 a.m. be ADOPTED. The motion CARRIED by voice vote (Attachment J).

Senator Bee moved S.B. 1008 be returned with an AS AMENDED, DO PASS recommendation.

Chairman Solomon announced the following were present in support of the bill: **Sue Bauer, Supervisor, Maricopa County Adult Probation; Melinda Kovocs, Department of Corrections; and Kathy Waters, Director, Adult Probation Services Administrative Office of Court Division.**

The motion CARRIED by a roll call vote of 9-1-2 (Attachment 8).

S.B. 1420 - appropriations; law enforcement training - DO PASS AMENDED

Sheryl Rabin, Judiciary Analyst, explained S.B. 1420 appropriates \$995,000 in each of fiscal years 2001-2002 and 2002-2003 from the state general fund to help pay for construction of a

regional law enforcement training center to be located in Pinal County at the Central Arizona College's Signal Peak Campus. The bill stipulates that the Department of Public Safety (DPS), Arizona Peace Officer Standards and Training Board (POST), and the Central Arizona College will all contribute to the project. Ms. Rabin said POST states that a third law enforcement training facility is needed to ensure that sufficient training opportunities are available to Arizona officers. The 2-line Solomon amendment, dated March 1, 2001, 1:30 p.m., reduces the appropriation to \$500,000.

Senator Martin said this is one of the few bills that he has that has an appropriation. Currently, Arizona only has two training facilities. The primary reason was so that they could start reserving slots in the training facilities because they are so backed up. The problem right now, is that priority is given to new recruits and as a result those who want to re-establish training get pushed back on the list. If a person is not adequately trained or if the feeling of a court is that the State is not adequately training officers, including cities and counties, there could be a higher liability. This bill would not only add a third training facility centrally located for the entire State, but it also adds some facilities that the State does not currently have. One of them is a road course with a firearm range. The advantage is that all of the training is in one location. The two other training facilities are being encroached on by development, and firearm facilities tend to have difficulty because people do not like these ranges in their backyard. This is going to be protected because it is on Arizona's college campus. He said this would also be the first Hogan's Alley style training facility in the State. This type of training is urban environment training. Since the majority of the police officers will be in an urban environment when they have to draw their firearm, this training is useful. He noted that this is not available in the State of Arizona right now. With that he urged the Committee for their support. This is not just a State program, in fact, the State is putting in \$2 million of a \$4 million project. Other agencies and organizations are putting in the other half, commenting it is a two for one purchase option. However, with the amendment it cuts the State's contribution in half. He said this would perhaps delay or cut up portions of the bill.

Edward L. Cibbarelli, Director of Public Safety, Central Arizona College, said that Senator Martin has explained the program very well, therefore, he only has a comment relative to the funding. He said they certainly appreciate all the assistance they have been given and understand the fiscal considerations that the Committee is faced with. Their project has been designed to deal with priorities that have been set up based on input from all law enforcement statewide. If the appropriation is cut by half, the project will have to be reduced by that amount and priorities would then be done in order. Basically, they would not be able to complete the entire project as requested. Hopefully, if things change and the fiscal picture gets better this year or next, the Committee would come back and ask for the appropriation to be put back or made up. If that is not possible, then they would come back for a third year funding should they not be able to acquire funds in other areas.

Senator Bee announced the following were present in support of the bill: **John A. Blackburn, Special Assistant, Maricopa County Attorney/Arizona Sheriffs Association; Ed Cook, Executive Director, Arizona Prosecuting Attorney's Advisory Council (APAAC); Joseph Easton, Program Manager Legislation & Policy, Arizona Criminal Justice Commission (ACJC); Eric Edwards, Lieutenant, Phoenix Police Department, Arizona Association Chiefs of Police; Don Isaacson, Legislative Counsel, Arizona Fraternal Order of Police; Lyle Mann, representing POST Training Board; and Jim Sawyer, Executive Director, Arizona Association of Counties.**

Senator Guenther moved S.B. 1420 be returned with a DO PASS recommendation.

Senator Guenther moved the 2-line Solomon amendment dated 3/1/01; 1:30 p.m. be ADOPTED. The motion CARRIED by voice vote (Attachment K).

Senator Guenther moved S.B. 1420 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED by a roll call vote of 11-0-1 (Attachment 9).

S.B. 1017 - unemployment insurance; amount of benefits - DO PASS

Chairman Solomon stated that testimony would not be taken as the Committee has previously heard this bill in depth last week.

Todd Madeksza, Banking & Insurance Analyst, explained S.B. 1017 eliminates a maximum weekly unemployment benefit and over the course of a three-year period indexes unemployment benefits.

Senator Cirillo, sponsor of the bill, said everyone has been lobbied this week as testimony was heard last week. He said to remember businesses had no problem dipping into this fund for job training money. But when we want to do something in the fund to give money to unemployed people, businesses cry out in opposition. He asked the Members to keep this in mind when voting on this bill.

Senator Cirillo moved S.B. 1017 be returned with a DO PASS recommendation.

Diane Bacon, Legislative Director, Communications Workers of America and Charles Huggins, Secretary/Treasurer, Arizona State American Federation of Labor - Congress of Industrial Organizations (AFL-CIO), were both present in support of the bill.

The following were present in opposition to the bill: **Ian Calkins, Vice President of Public Affairs, Greater Phoenix Chamber of Commerce; Samantha Fearn, Vice President of Public Affairs, Arizona Chamber of Commerce; Eric Emmert, Vice President of Public Affairs, Tempe Chamber of Commerce; Jim Norton, Lobbyist, Arizona Association of Industries; and Scott Smith, Lobbyist, Arizona Association of Industries.**

The motion CARRIED by a roll call vote of 7-3-2 (Attachment 10).

S.B. 1058 - unemployment insurance; eligibility - DO PASS AMENDED

Bradley Glenn, Banking & Insurance Intern, explained S.B. 1058 deals with unemployment insurance eligibility and those who leave employment due to domestic violence. He noted that this bill was discussed last week. There have been four amendments proposed to this bill. The 2-line Solomon amendment dated February 22, 2001, 11:20 a.m. (Attachment L) was replaced by the 5-line Martin amendment dated February 23, 2001, 1:12 p.m. (Attachment M). This amendment further defines what domestic violence cases are. Senator Martin has another 5-line amendment, dated March 5, 2001, 10:00 a.m., which makes technical changes to his amendment. He said the

3-page Solomon amendment, dated March 5, 2001, 7:36 a.m., prevents the amount a person collects from unemployment insurance being charged against the employer's account

Chairman Solomon clarified that the two amendments, the 5-line Martin amendment dated March 5, 2001, 10:00 a.m. and the 3-page Solomon amendment dated March 5, 2001, 7:36 a.m., do not conflict. She said since testimony was heard on this bill last week and having moved this bill out of this Committee once before, she asked Senator Bee to move the bill.

Senator Bee moved S.B. 1058 be returned with a DO PASS recommendation.

Senator Bee moved the 5-line Martin amendment dated 3/5/01; 10:00 a.m. be ADOPTED. The motion CARRIED by voice vote (Attachment N).

Senator Bee moved the 3-page Solomon amendment dated 3/5/01; 7:36 a.m. be ADOPTED. The motion CARRIED by voice vote (Attachment O).

Senator Bee moved S.B. 1058 be returned with an AS AMENDED, DO PASS recommendation.

Chairman Solomon announced the following people present in support of the bill: **Allison Bones, Policy Advocate, Arizona Coalition Against Domestic Violence; Jennie Gorrell, representing the Business & Professional Women/Arizona; Joy Marx-Mendoza, a formerly battered woman representing herself; and Tara Plese, Legislative Liaison, Arizona Catholic Conference. Samantha Fearn, Vice President of Public Affairs, Arizona Chamber of Commerce,** was present in support of the bill with the Solomon amendment.

The motion CARRIED by a roll call vote of 9-1-2 (Attachment 11).

S.B. 1093 - unemployment insurance benefits - FAILED

Bradley Glenn, Banking & Insurance Intern, explained S.B. 1093 makes numerous substantive changes to the statute regulating unemployment insurance. The 23-line Solomon amendment, dated February 22, 2001, 11:26 a.m. (Attachment P) reduces indexing to the average weekly benefit in order to reach 50 percent over a three-year period. The Solomon amendment incorporates the language that was in S.B. 1017 and also merges two amendments that were offered in the Banking & Insurance Committee.

Chairman Solomon asked if Senator Aguirre was present, informing the Members that she would move the amendment on her behalf.

Senator Cirillo noted that there was also a Nichols amendment to the bill. Mr. Glenn said the Nichols amendment, dated February 23, 2001, 7:57 a.m., reduces the payments from \$14,000 to \$7,000.

Jim Norton, Lobbyist, Arizona Association of Industries, said the Association is in opposition to indexing. The State has long held the position of setting the benefit amounts in statutes, and the Association supports that.

Even if the Legislature put the indexing into the statute, Senator Verkamp asked if that could be changed next year. Mr. Norton said the Legislature could make changes every year based on its

priorities. He said this was done two years ago where the benefit amount was increased in conjunction with reducing the tax. As they see the layoff figures, large and small manufacturers think it is clear that there is not only a decline nationally but here in Arizona as well. The Association believes the right policy is for the Legislature to take that step statutorily, without an automatic escalator moving those figures up beyond their ability to control those costs.

Senator Verkamp said he does not know when the Association would ever be in support of bringing these up. Mr. Norton asked Senator Verkamp if he would recall the last time two years ago he was at the Chamber of Commerce where they negotiated an increase on benefits at the time that they were reducing the tax on unemployment insurance. Certainly, a demonstration of benefit amount is justified at this point in time. But if there is a benefit, that is clearly a policy decision for the Legislature to make. He remarked that the Association would look at that favorably if it were a flat amount set in statute.

Senator Verkamp said that the only reason why Mr. Norton was in favor of it last time was because he was able to use part of that money for job training programs. He asked Mr. Norton if he has ever testified in favor of an increase. Mr. Norton said the Association did two years ago.

Mr. Norton said it is a tax paid by employers and a pot of money that is used by employers. At the time when the Association came forward to support a tax decrease on employers, the trust fund balance had grown to such a point that it rewarded employers because the trust fund balance is set in an inverse relationship. When it grows, the tax comes down. They are not taking more money from employers than they actually need to fund the account, and so at that point in time it was appropriate for not only a tax cut, but for a benefits increase. He said if there is a point in time when the Association believes that a benefit increase is appropriate, then they will support that.

Charles Huggins, Secretary/Treasurer, Arizona AFL-CIO, said the bill has other things in it rather than just the indexing. The current language does not allow someone who makes less than \$1,000 in one-quarter out of the last five to get unemployment insurance. The National Council on Unemployment Insurance has made a recommendation year-after-year that they lower that \$1,000 platform to \$300. This bill lowers that to \$300 so that more people can get unemployment insurance. There is statute that says for every dollar over the \$30 a week that a person makes while unemployed, a dollar is taken back from their unemployment insurance. That has been in the statutes since unemployment insurance was put into effect back in the 1950's. That number should be \$75 and that is based on inflation over the years. He asked the Members to take into consideration these unemployed workers; that 20 percent of the employees who become unemployed in this State never draw unemployment insurance. He said that is a travesty noting that this was a social safety net put into statute to help people bridge the gap from unemployment back to employment.

Senator Cirillo asked Mr. Huggins if he would have any objection to the amendment with indexing being removed from this bill since it was just passed out in S.B. 1017. Mr. Huggins said he has no problems with the amendment.

Senator Bee moved S.B. 1093 be returned with a DO PASS recommendation.

Debbie Johnston, Appropriations Analyst, said the Solomon and the Nichols amendments were both distributed last week. The 23-line Solomon amendment, dated February 22, 2001, 11:26 a.m., adds the provision of S.B. 1017, which was just passed out into the bill. She noted it was

done in the Banking & Insurance Committee. The 2-line Nichols amendment dated February 23, 2001, 7:57 a.m., goes back to current law with respect to the taxable portion of the wages.

Chairman Solomon said she was asked to carry the 23-line Solomon amendment on behalf of the bill's sponsor, but since it is already in S.B. 1017 she will not offer the amendment. She asked Ms. Johnston to inform Senator Aguirre.

Senator Bee moved the 2-line Nichols amendment dated 2/23/01; 7:57 a.m. be ADOPTED. The motion CARRIED by voice vote (Attachment Q).

Senator Bee moved S.B. 1093 be returned with an AS AMENDED, DO PASS recommendation.

Chairman Solomon announced the following people were present in opposition to the bill: **Eric Emmert, Vice President of Public Affairs, Tempe Chamber of Commerce; Samantha Fearn, Vice President of Public Affairs, Arizona Chamber of Commerce; Spencer Kamps, Deputy Director, Home Builders Association of Central Arizona; Gretchen Kitchel, Senior of Public Affairs, Pinnacle West Capital Corporation; and Scott Smith, Lobbyist, Arizona Association of Industries. Diane Bacon, Legislative Director, Communications Workers of America,** was present in support of the bill.

The motion FAILED by a roll call vote of 4-6-1-1 (Attachment 12).

S.B. 1120 - southern Arizona veterans' home - DO PASS AMENDED

Natalie Bahill, Government Intern, explained S.B. 1120 allows the Arizona Department of Veterans Services (ADVS) to acquire property for and to construct and operate a veterans' home facility in Southern Arizona. The bill makes a blank appropriation in fiscal year 2001-2002 from the state general fund to ADVS. The 5-line Solomon amendment, dated March 2, 2001, 2:06 p.m., fills in the blank amount with a \$50,000 appropriation.

Chairman Solomon said she understands that appropriation conforms to the House appropriation of \$50,000. Ms. Bahill said that is correct.

Senator Hamilton, sponsor of the bill, thanked Chairman Solomon for hearing this legislation. The bill has been cut back to the point where it is going to allow at least some work to be done, architecturally, engineering and organizationally to bring this about. This may be a tough year to get anything through that is going reach the amount of money that this would cost. He asked the Members to keep in mind that the federal government will cover 65 percent of this cost, so the State has an opportunity to do something for its veterans at a relatively small cost to the State. The State already has one facility in Phoenix that serves the needs of veterans in Maricopa County and surrounding areas, but it would be a good thing to see this happen in the Tucson area in order to serve the needs of the veterans in the southern part of the State.

Senator Hamilton moved S.B. 1120 be returned with a DO PASS recommendation.

Senator Hamilton moved the 5-line Solomon amendment dated 3/2/01; 2:06 p.m. be ADOPTED. The motion CARRIED by voice vote (Attachment R).

Senator Hamilton moved S.B. 1120 be returned with an AS AMENDED, DO PASS recommendation.

Chairman Solomon noted that **Patrick F. Chorpensing, Director, ADVS**, was present in support of the bill.

The motion CARRIED by a roll call vote of 11-0-1 (Attachment 13).

Chairman Solomon explained her vote. She thanked Senator Hamilton for bringing forward the veterans' bills, commenting that he has been a fine steward of their affairs. She votes "aye."

S.B. 1154 - voter registration; web site - DO PASS AMENDED

Jim Keane, Government Analyst, explained S.B. 1154 requires the Secretary of State to provide for voter registration through their website and to develop a ten-year plan for increasing voter registration. He noted that the bill, as amended by the Government Committee, allows the Secretary of State to provide for registration online and also creates the voter participation and outreach study committee. The 2-page Solomon amendment, dated March 5, 2001, 8:43 a.m., is substantially similar to the Government Committee amendment. The committee is required to report on December 15, 2001 and ends in February of next year. The Solomon amendment additionally prohibits the Secretary of State from providing a way for persons to register until the study committee has completed its report.

Senator Cirillo said he is concerned although it is not his party, but he knows that the Democratic Party in this State had a presidential primary where they used the internet. In talking with the Secretary of State she had some very significant concerns about fraud. It is unknown who is voting when the information is received on line from a house. The fact sheet talks about this same potential for voter fraud.

Chairman Solomon said there was no one present to speak on this bill.

Senator Bee moved S.B. 1154 be returned with a DO PASS recommendation.

Senator Bee moved the 2-page Solomon amendment dated 3/5/01; 8:43 a.m. be ADOPTED. The motion CARRIED by voice vote (Attachment S).

Senator Bee moved S.B. 1154 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED by a roll call vote of 8-1-3 (Attachment 14).

Senator Bee explained his vote. He said that because the amendment does change it to a study committee he is going to vote "aye."

S.B. 1164 - appropriation; county jail juvenile beds - DO PASS AMENDED

Natalie Bahill, Government Intern, explained S.B. 1164 appropriates a blank amount from the state general fund to the county jail juvenile improvement fund in fiscal year 2001-2002 for use by the Arizona Criminal Justice Commission (ACJC) for the construction of new juvenile beds in county jails. The 2-line Solomon amendment, dated March 1, 2001, 11:53 a.m., appropriates \$1

million to the fund, and the 2-line Martin amendment, dated March 5, 2001, 8:42 a.m. (Attachment T), appropriates \$2.5 million to the fund. Ms. Bahill noted that these amendments conflict.

Senator Martin said he would like to withdraw his amendment.

Senator Bee moved S.B. 1164 be returned with a DO PASS recommendation.

Senator Bee moved the 2-line Solomon amendment dated 3/1/01; 11:53 a.m. be ADOPTED. The motion CARRIED by voice vote (Attachment U).

Senator Bee moved S.B. 1164 be returned with an AS AMENDED, DO PASS recommendation.

Chairman Solomon announced the following were present in support of the bill. **John A. Blackburn, Special Assistant, Maricopa County Attorney/Arizona Sheriffs Association; Art Chapa, Pima County Board of Supervisors; Ed Cook, Executive Director, APAAC, Joseph Easton, Program Manager Legislation & Policy, ACJC; Alan Ecker, Policy Assistant, County Supervisors Association; Eric Edwards, Lieutenant, Phoenix Police Department/Arizona Association Chiefs of Police; and Jim Sawyer, Executive Director, Association of Counties.**

The motion CARRIED by a roll call vote of 8-0-4 (Attachment 15).

S.B. 1220 - state personnel board; hearing transcripts - DO PASS AMENDED

Jim Keane, Government Analyst, explained S.B. 1220 requires the State Personnel Board to transcribe hearing records verbatim at no cost to either party. The 6-line Solomon amendment, dated February 22, 2001, 11:16 a.m., appropriates \$25,000 to cover these costs and the 6-line Martin amendment, dated February 26, 2001, 9:39 a.m. (Attachment V), appropriates \$30,000 to cover these costs. Mr. Keane noted that both appropriations occur in fiscal years 2001-2002 and 2002-2003 and come from the state general fund.

Senator Martin said he submitted his amendment before he saw the Solomon amendment, but he would defer to the wisdom of the Chair and withdraw his amendment.

Senator Bee moved S.B. 1220 be returned with a DO PASS recommendation.

Senator Bee moved the 6-line Solomon amendment dated 2/22/01; 11:16 a.m. be ADOPTED. The motion CARRIED by voice vote (Attachment W).

Senator Bee moved S.B. 1220 be returned with an AS AMENDED, DO PASS recommendation.

Chairman Solomon announced the following present in support of the bill: **Diane Bacon, Legislative Director, Communications Workers of America, and David Mendoza, Legislative Director, American Federation of State, County, and Municipal Employees.**

The motion CARRIED by a roll call vote of 11-0-1 (Attachment 16).

S.B. 1277 - appropriation; Sharlot Hall museum - DO PASS AMENDED

Natalie Bahill, Government Intern, explained S.B. 1277 appropriates \$4 million in fiscal year 2001-2002 from the state general fund to the Prescott Historical Society for the Sharlot Hall museum. The 5-line Solomon amendment, dated February 26, 2001, 11:42 a.m. (Attachment X), reduces the appropriation to \$100,000 and clarifies that monies unexpended and unencumbered on June 30, 2003 will revert to the state general fund. The 4-line Solomon amendment, dated March 2, 2001, 2:27 p.m., decreases the appropriation to \$100,000 and lapses the appropriation. Ms. Bahill noted that the second amendment, the 4-line Solomon amendment, should substitute the first Solomon amendment.

Chairman Solomon said she would withdraw her 5-line amendment adding that she is doing this with the agreement of the bill's sponsor.

Senator Bee moved S.B. 1277 be returned with a DO PASS recommendation.

Senator Bee moved the 4-line Solomon amendment dated 3/2/01; 2:27 p.m. be ADOPTED. The motion CARRIED by voice vote (Attachment Y).

Senator Bee moved S.B. 1277 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED by a roll call vote of 11-0-1 (Attachment 17).

S.B. 1286 - government employee health insurance - DO PASS

Natalie Bahill, Government Intern, said the Arizona Department of Administration (ADOA) is required to expend money for health and accident insurance coverage for state officers and employees. The expenditure of these funds is capped by statute (38-651). Currently, new cost estimates are in the process of being calculated, but final numbers are not yet available. S.B. 1286 replaces the existing caps with unspecified caps, these blanks will be filled in when the new numbers have been determined.

Chairman Solomon said this is an annual bill. It is vital because in the event additional monies are needed to cover increases in the health and dental insurance program, there will be something available to do that. So this bill must go through.

Chairman Solomon said that **Diane Bacon, Legislative Director, Communications Workers of America**, did not indicate whether she was in support or opposition to the bill, but she would assume she was in support of the bill. **Wayne Pulver, Benefits Analyst, ADOA/Employee Benefits**, was present in support of the bill.

Senator Bee moved S.B. 1286 be returned with a DO PASS recommendation.

Senator Verkamp explained his vote. He would once again put in a plea for adequate and affordable health care for state employees and for other people in this State. The premiums in his district, especially for retirees, are now \$1,200, PacifiCare is the provider and they have no network. Some state employees have similar problems, people are paying more for their health insurance than they are for their house payment. He said the State needs to do something and hopes ADOA will start taking a better look at this than they have in the past. He further commented that he is disappointed with what they have done so far. He votes "aye."

Chairman Solomon explained her vote. She said she is very concerned about the state of healthcare for both the active and retired members of the State's employment systems. She gets calls in her office every day from people whose benefit check is not enough to cover the cost of the current health benefit. Therefore, she will add her plea to ADOA along with Senator Verkamp's and she thinks along with every Member of this body with regard to that issue, she votes "aye."

The motion CARRIED by a roll call vote of 11-0-1 (Attachment 18).

S.B. 1328 - technical correction; children's camps; water - DO PASS AMENDED/STRIKE-EVERYTHING

Natalie Bahill, Government Intern, said the strike-everything amendment to S.B. 1328 adopted in the Government Committee appropriates \$500,000 in fiscal year 2001-2002 from the state general fund to the Arizona Office of Tourism (AOT) for renovation and capital improvements to the former Phoenix Indian School in order to establish a Native American Cultural and Tourism Center. A proposed Solomon strike-everything amendment incorporates the Government amendment and appropriates \$500,000 to AOT to construct a Native American Cultural and Tourism Center, but distributes the appropriation over the biennium rather than all in the first year. It breaks the appropriation into two \$250,000 appropriations.

Senator Mitchell, sponsor of the bill, stated this would renovate at least one building or maybe three buildings on the old Indian School property on Central and Indian School to be used as a tourism visitor center. He knows there is a great deal of money being raised in the private sector and just recently, there was a huge benefit ball to raise money for this. **Rory Majenty, Board member, American Arizona Indian Tourism Association**, clarified that the name of the center that Senator Mitchell referred to is called the American Arizona Indian Tourism Association.

In response to Chairman Solomon, Senator Mitchell said he agrees completely with the Appropriations strike-everything amendment she is proposing to the bill.

Senator Bee moved S.B. 1328 be returned with a DO PASS recommendation.

Senator moved the Solomon strike-everything amendment dated 3/2/01; 2:02 p.m. be ADOPTED. The motion CARRIED by voice vote (Attachment Z).

Chairman Solomon thanked Mr. Majenty for the handout commenting that it was very complete and very well done.

The following were present in support of the bill: **Ferlin Clark, Director of Philanthropy, Sage Hospital; Mellor C. Willie, Executive Staff Assistant, The Navajo Nation/Office of the President and Vice-President; and Tandy Young, Treasurer, Arizona American Indian Tourism Association.**

Senator Bee moved S.B. 1328 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED by a roll call vote of 11-0-1. (Attachment 19)

Tape 2, Side A

S.B. 1532 - appropriation; project challenge - DO PASS AMENDED

Jim Keane, Government Analyst, explained S.B. 1532 appropriates \$603,000 in fiscal year 2001-2002 from the state general fund to the Arizona Department of Emergency and Military Affairs (DEMA) for a dormitory and an operational support building at the Project Challenge campus. The 5-line Solomon amendment, dated March 2, 2001, 2:35 p.m., reduces the appropriation from \$603,000 to \$250,000 and reverts unexpended or unencumbered monies to the state general fund on June 30, 2004.

Senator Blanchard, sponsor of the bill, did not wish to speak.

Chairman Solomon noted that **Sue Buford, parent, Arizona Project Challenge**, was present in support of the bill.

Mr. Buford, said he was speaking for a number of people whose children are in the program. Chairman Solomon noted that she did receive a petition this morning that was signed by 800 people. The problem that they have is that last year they received partial funding, but the buildings on the ASU and East campus have been condemned. As of July 22, 2001, they will have no place to reside. With the partial funding last year they went ahead and purchased property a few miles down the road and started construction with the understanding that they had to come back this year to get the money to complete it. They encourage the Committee to reconsider cutting the numbers as far it has been cut, because he does not see how they can effect this move. He added that this five-month program for high school dropouts is an intensive military environment. It gets them in shape, creates self-respect, discipline and it also gets them away from the bad and dangerous influences in their neighborhood. They learn the privilege of volunteering in a community, each student spends at least a hundred hours in community service during the program. There is a follow-up, one-year mentor program. Mr. Buford noted that to date, Arizona Challenge is proud to report that 1,246 students have successfully graduated from the program and more than 84 percent of them have received their General Equivalency Diploma (GED). More than 88 percent of the graduates are attending college, vocational schools, apprenticeship programs, and military service or are gainfully employed. There has never been a program with this level of success for these kinds of kids. The Phoenix business community has responded with scholarships, jobs and training programs for the Challenge graduates and after five years of effort locally and nationally all four military services will now accept Challenge graduates with their GEDs directly into the military. He gave the Committee some brief comments from the parents of Project Challenge students. He said the program has been a literal lifesaver for his son and many others like him. The program has 1,250 kids, and the greatest majority of them have been helped tremendously. So he would urge the Committee to support the program.

Chairman Solomon is very supportive of Project Challenge spending 28 years in the classroom and working a long time with at-risk youngsters. She knows how important this program is. It is unfortunate in this year when they have to cut their projected revenues and where the Governor is seeking to make some rather severe moves with regard to her agencies that there is little discretionary spending. She noted that this is discretionary because there are formula needs that need to be met; constitutional and statutory needs that need to be met. She had to choose between holding this bill and not moving it forward or reducing the appropriation and moving it forward. She would hope that this amount of appropriation would help in some way. She is hopeful that as this bill moves through the process it will survive. She cares deeply about the students and the families who attend Project Challenge. She hopes Mr. Buford understands her

position as well, and certainly if the Members choose to vote down the amendment, that is their privilege as well.

Mr. Buford said the cost of supporting these dropout kids is more expensive than the cost of this program.

Chairman Solomon commented that Mr. Buford was speaking to the choir here and that this should have been done years ago putting a lot more money into prevention, but that was not the direction this body has taken over the last decade. There were other interests that many of them believed were not nearly as important, but won out. She apologized and said she wished that were not the case. Chairman Solomon said they would try to find more money if they possibly could.

Senator Bee moved S.B. 1532 be returned with a DO PASS recommendation.

Senator Bee moved the 5-line Solomon amendment dated 3/2/01; 2:35 p.m. be ADOPTED. The motion CARRIED by voice vote (Attachment AA).

Senator Bee moved S.B. 1532 be returned with an AS AMEDED, DO PASS recommendation.

Chairman Solomon noted that **Charles McCarty, Director, Arizona Project Challenge**, was present in support of the bill.

The motion CARRIED by a roll call vote of 11-0-1 (Attachment 20).

S.B. 1194 - appropriation; resin bush eradication - DO PASS

Ethan Shaner, Research Assistant Analyst, explained S.B. 1194 appropriates \$185,000 from the state general fund in fiscal year 2001-2002 to the State Land Department for distribution to the Gila Valley Natural Resources Conservation District (NRCD) for eradication of the sweet resin bush on state trust land in southeastern Arizona. There was an amendment passed in the Natural Resources, Agriculture and Environment (NRAE) Committee that increased the appropriation to \$378,000 in fiscal year 2002 and added a fiscal year 2003 appropriation of \$220,600, both from the state general fund. The amendment appropriates the money to the Department of Agriculture rather than the State Land Department and changes the eradication program to address the problem statewide rather than on state trust land in southeastern Arizona.

Senator Arzberger, sponsor of the bill, said the State is two years behind in getting rid of something that could be a problem for the State of Arizona and the question comes down to "do we get rid of it now or get rid of it later?" It will become much more expensive later. This weed or bush that kills everything when it spreads has been nationally identified as a serious problem. Two years ago, both Houses passed a bill to eradicate this, but the Governor requested that a better assessment be made statewide so that they could make sure that they get rid of all of it. In the past two years a new site has showed up at Roosevelt Lake, so the State does have to watch the spread of this weed. The sites are also within reach of the Gila River and once it starts to spread down that river, there will really be a problem. She passed around a photograph to show the Committee what the land will look like when it begins to spread. She asked the Committee which they would prefer, the beautiful desert poppies or the noxious weed. The Legislature needs to be responsible for taking care of this now rather than spend a lot of money taking care of it later. She spoke to the rumor that federal money will take care of this. She has a copy of the United States

(U.S.) Senate bill that has been read, but not assigned to Committee. All the states have to compete for grants in the U.S. bill. In addition, preference is given to states that already have a program in effect.

Senator Hamilton said to that point that we do not know yet if the federal bill will pass. If the federal bill passes, that would mean we would not as a state have to spend nearly as much money in order to eradicate this weed, which was in fact brought to Arizona in a federal experiment on soil erosion. In the budget for the Agriculture Department, the State set forth \$130,000 to assure that this weed does not spread. He understands that the federal law says if an eradication program currently exists, the federal government will come in and Arizona can compete for money with other states. He would expect that Arizona would stand a very good chance of getting some of that money if it is made available. If not, the Legislature at least covered the prospect of keeping the weed back away from the Gila River so that it does not spread in an uncontrolled manner. So money has been set aside to do this and we have established the requirements of the federal grant program by already having an eradication program in place. He would think for that reason the State could wait, knowing that the weed is not going to spread, and see what the federal government is going to do.

Senator Arzberger said, as she stated at the Appropriations subcommittee, that there was no specific amount targeted for that. The Agriculture Department said they would try to cover it under a portion of their budget. Her recent discussion with the Department has not indicated any willingness to do that.

Senator Hamilton said as he recalls there was a \$130,000 line item in the Department's budget.

Nicole A. Waldron, Legislative Liaison, Arizona Department of Agriculture, noted that she was neutral on the bill. She said there has been a significant discussion about sweet resinbush eradication with regard to the Department's fiscal year 2002-2003 budget appropriation. The Department agreed to allocate \$30,000 to the control of the spread on the Frye Mesa plot in Graham County, to ensure that the 3-mile buffer zone between the river and the nearest infestation is maintained until the State is able to apply for federal funding.

Senator Hamilton said \$130,000 was one of the amounts that was used. That was before they knew they could use convict labor to help eradicate the weed in that area. The numbers have come down as a result of the ideas that have been put forth. At this point, he feels the State should wait and see what the federal government is going to do about the weed situation. If two years from now the federal government has not taken care of the issue, then the State can.

Senator Arzberger said the figure, \$30,000, will not even pay for one full-time employee. She is very disappointed with the Department of Agriculture's attitude on this. She would remind the Members what California did on the fire ant, which is an insect infestation instead of a noxious weed infestation. They ended up spending millions of dollars on that program. She said it is irresponsible to "wait and see" when federal money will get here, when she sees no indication that it will.

Senator Arzberger moved S.B. 1194 be returned with a DO PASS recommendation.

Mark Herrington, County Supervisor, Graham County, in support of the bill, said this is an important issue to Graham County as they have the largest infestation of this noxious plant. It has

the potential of having an adverse affect on agriculture: ranching has already been affected to some degree. If this does get into the river system and is transported, it could also affect agriculture in the valley, which is a big part of Arizona's economy. They have tried for a long time now to solve this problem; it continues to grow, has no natural predator, cattle will not eat it, wildlife will not eat it; it kills everything in its path. What started out as a sixth of an acre has spread to 320 acres on Frye Mesa. Graham County would like to see some money appropriated to eradicate the noxious weed now before it becomes a greater threat to southeastern Arizona.

Senator Guenther said it seems the best way to eradicate the weed is mechanical control. Burn the adult plants, and then use a herbicide to prevent revegetation.

Mr. Herrington said if the plant is mechanically removed or burn it, and an herbicide is used, then there is a 98 percent chance the weed can be eradicated.

Senator Guenther asked if there was any chance of using some voluntary labor, noting that \$378,000 is a lot of money. Mr. Herrington said he is sure that is possible.

Senator Guenther said he is not saying that this is not important, but it will have difficulty competing with many other programs and bills for fixed dollars, especially since this issue has a strong federal nexus. It would be nice to litigate against the federal government for the introduction of this and force them to eradicate it, but of course that would take 10 to 15 years and this plant would have spread everywhere by then.

Mac Herrera, Executive Director, Arizona Association of Conservation Districts, said there has been over ten groups working collectively to try to address this problem, and the group feels it is time to do something. He said Dr. Joe McAuliffe, has been extensively involved on this and has put together the handout entitled *The battle against a harmful alien invader: Sweet Resinbush from South Africa* (Attachment BB). The appropriation requested was originally \$185,000 and that was something at that time this group felt would be adequate to address the problem. They are also going to need follow up measures to continue to hold this plant. There has been a plan developed to eradicate this already, both locally and cooperatively with the Department on a statewide basis, so he thinks everything is in place. In the Association's discussion with the Department, they talked about taking measures to eradicate the area located close to the Gila River; they talked about trying to find emergency funds. This is an emergency and has to be taken care of right away.

Senator Verkamp said usually U of A has funds or resources available to take care of certain kinds of problems, noting he is not sure if it would cover projects like this. Mr. Herrera said to his knowledge the group has searched extensively to try to find additional funding. There has been some talk of working through U.S. Department of Agriculture (USDA), but they have not been able to find anything specific at this point in time. He noted that the group is meeting in Safford this morning to continue to work on the problem.

Chairman Solomon announced the following people were present in support of the bill: **Bas Aja, Director of Public Affairs, Arizona Cattlemen's Association, and Jim Palmer, Graham County Board of Supervisors.**

The motion to return S.B. 1194 CARRIED by a roll call vote of 9-2-1 (Attachment 21).

Senator Guenther explained his vote. He wants to try to get a cooperative program going between the Department, the counties, the forest service, the State Land Department, and the Extension Service. He thinks the State can go in and do this for less money, possibly on a voluntary basis. He said if he had equipment down in that area, he would be more than happy to donate it to this cause. This has been talked about and studied too extensively; it is time to get rid of it. For now he votes "aye," but if it comes to the prioritization of funding he thinks this is going to be one of the early losers.

Senator Hamilton explained his vote. He said this is a worthy cause and something needs to be done, but he would like to sit and wait for awhile to see if federal funds can be made available in order to accomplish this task, so he will vote "no."

Senator Verkamp explained his vote. The State has been talking about this problem for years and nothing has been done about it. Although he votes "aye" for the bill he hopes that all the parties involved will become a little more cooperative and take care of the problem.

S.B. 1325 - country fairs; breeders awards; revenues - DO PASS AMENDED

Garth Kamp, Natural Resources, Agriculture & Environment Intern, explained S.B. 1325 increases the money distribution from pari-mutuel racing revenues and monies received from unclaimed and abandoned property to seven racing related funds. The bill changes the eligible distribution from a minimum dollar amount to a maximum percentage amount. There were two amendments being proposed to the bill. The 10-line Solomon amendment, dated February 23, 2001, 11:22 a.m. (Attachment CC), reverts the distribution of monies to the seven race related funds back to a maximum dollar amount capped, instead of a minimum percentage amount. It also provides that an additional \$500,000 be disbursed in the specified percentages to the race related funds, with the rest of the designated monies from the unclaimed property fund reverting back to the state general fund. Mr. Kamp said it is his understanding that approximately \$2.6 million would go back to the state general fund under that proposed amendment scenario. The 6-line Solomon amendment, dated March 2, 2001, 1:58 p.m., stays consistent with the proposed legislation in that the eligible distribution of monies to the seven race related funds is a maximum percentage amount instead of a capped dollar amount. In fiscal year 2001-2002 only \$3 million would be eligible for distribution to the racing funds from the unclaimed property fund. It also provides that the following fiscal year all of the eligible monies from the unclaimed property fund would be disbursed to the race related funds. It is his understanding that under this proposed amendment there would be approximately \$1.7 million to \$2 million reverting back to the state general fund.

In response to Senator Cirillo's question, Mr. Kamp said the two proposed amendments do conflict.

Senator Brown, sponsor of the bill, said he has been connected with the Apache County Fair for forty years. It is non-paid, public service work and the reason he stays involved is because he feels the county fairs are one of the best attributes of the State. As he represents six counties and a "tiny tip" of Maricopa County, he has been able to visit every county fair. The problem is that the needed funds from the State keep decreasing. This bill gets those funds and puts a freeze on them in order to ensure a definite amount of money. Senator Brown thinks the racing industry in Arizona has really been good for the State. The casino wagering on the reservation makes it harder for the racing industry, and he would like to make the industry a little stronger. He urged the Committee to support the second Solomon amendment, which makes it permanent, so they do

not have to come back and change it again. He concluded that this would give them a source of funding down the road that would help those fairs stay strong for the State of Arizona.

Senator Bee moved S.B. 1325 be returned with a DO PASS recommendation.

Senator Bee moved the 6-line Solomon amendment dated 3/2/01; 1:58 p.m. be ADOPTED. The motion CARRIED by voice vote (Attachment DD).

Senator Bee moved S.B. 1325 be returned with an AS AMENDED, DO PASS recommendation.

Chairman Solomon announced the following people were present in support of the bill: **Grant Boice, Executive Director, Arizona National Livestock Show; Frank Corello, representing the Arizona Thoroughbred Breeders Association, Inc.; Jim Skelly, representing the Arizona Thoroughbred Breeders Association; and Mike Williams, representing the Arizona Greyhound Association.**

The motion CARRIED by a roll call vote of 10-0-2 (Attachment 22).

S.B. 1465 - underground storage tank funding; commission - DO PASS AMENDED

Susan Anable, Senate Research Director, explained S.B. 1465 is an emergency measure that would provide for an actuarial study to be performed on the underground storage tank (UST) assurance account. It will require the Arizona Department of Environmental Quality (ADEQ) and the UST Policy Commission to evaluate the study and make a report to the Legislature by December 1, 2001. In addition, there is a provision in the bill that will prohibit any claims to the assurance account for any releases reported after July 1, 2002. The NRAE Committee adopted an amendment to this bill, which will eliminate that proposed cut-off date for claims to the assurance account for coverage for corrected actions. In addition, the NRAE Committee amendment provided that ADEQ is subject to the procurement code requirements with respect to contracting for the actuarial study on the assurance account. Ms. Anable said the 10-line Solomon amendment, dated March 1, 2001, 3:50 p.m., does exactly the same as the NRAE Committee amendment.

In response to Senator Verkamp, Ms. Anable said one of the intents of the actuarial study is to determine the extent of the liabilities to the account both with respect to existing and outstanding claims, and those releases that have not yet been reported to the State for which they would be eligible for coverage from this account. The second issue, is that the program is operating at a deficit because of the situation Senator Verkamp pointed out, as well as claims exceeding revenues to that program. Her understanding of the actuarial study is to determine the anticipated liabilities to that fund in future years and what sort of options might be available for paying for that program prospectively. The study is charged with looking at bonding and returning the program to the private insurance industry as potential options for review.

Senator Verkamp said he thought ADEQ had all of this information on hand as to what the outstanding liabilities and claims are. Ms. Anable said to some degree that is true. The Department does have documentation of the releases that have been reported for the outstanding claims. There are some unknowns even to the Department, which would be the claims for which the releases have not yet been reported to the agency. She said the second component of the

actuarial study is not only looking at what the total cost in liability of the fund is, but to look at ways for paying for it in the future. The second component is to look at bonding.

Senator Verkamp said the small business owners got killed when this fund was raided and a lot of them went bankrupt. The people who already went through bankruptcy cannot be helped.

Senator Bowers, sponsor of the bill, said he would like to address the portion of the bill that Ms. Anable did not address, which was part of Senator Verkamp's question. The State needs to know what the outstanding liability is because there are many sites that have not as yet been reported. He talked to some folks today about Holbrook tanks, which have been abandoned for about forty to fifty years. One of the reasons for this study is to set a series of dates when the State might finish the one percent per gallon tax; then determine what can be accomplished with the revenue stream that would come in on those dates. There are private businesses with "x" revenue streams, with an overhead of "y," which may be able to come and either provide bonding or secure bonding. The overhead the Department charges on that tax is roughly 25 percent, down from 32 percent, and he tried to reduce it further to 17 percent. The State would then be able to shop and see if the backlog pay can be reduced. It is currently \$83 million, which is better than it was. The State will be able to pay-off the backlog, take care of the outstanding claims, and set up private insurance so that it will be the responsibility of the gasoline station operators and petroleum carrier operators in the future.

Senator Bee moved S.B. 1465 be returned with a DO PASS recommendation.

Senator Bee moved the 10-line Solomon amendment dated 3/1/01; 3:50 p.m. be ADOPTED. The motion CARRIED by voice vote (Attachment EE).

Senator Bee moved S.B. 1465 be returned with an AS AMENDED, DO PASS recommendation.

Chairman Solomon announced the following people were present in support of the bill: **Barry M. Aarons, Consultant, Equilon; Stan Barnes, Lobbyist, BP (formerly ARCO); Yvonne R. Hunter, Public Affairs Representative, Pinnacle West Capital Corporation; Marc Osborn, Miller & Associates; John Pearce, Attorney, Arizona Petroleum Marketers Association; and Charlie Stevens, Legislative Counsel.**

Senator Verkamp pointed out this fund was used to subsidize vehicle inspections in Maricopa County. As a result, people in the outlying districts lost a lot of their businesses and their livelihood because that fund was raided. There are many people in his district that are still angry about this issue. He said it was a bad move to take money from the entire State and give it to people in Maricopa County.

The motion CARRIED by a roll call vote of 10-0-2 (Attachment 23).

S.B. 1266 - employment; equal wages - DO PASS AMENDED

Jed White, Commerce Intern, explained S.B. 1266 creates an Equal Pay Committee to study and report on the factors for wage disparity, based on gender and race in the both the public and private sector. The bill also prohibits wage discrimination based on race, and forces employers found liable of wage discrimination to pay a penalty to the Industrial Commission. The 5-line

Solomon amendment, dated March 1, 2001, 12:00 p.m., removes everything from the bill except the equal pay committee.

Senator Bee moved S.B. 1266 be returned with a DO PASS recommendation.

Senator Bee moved the 5-line Solomon amendment dated 3/1/01; 12:00 p.m. be ADOPTED.

Chairman Solomon said before she asks the Members to vote on the amendment she would like to know if the Chamber of Commerce still opposed the bill as amended.

Samantha Fearn, Vice President of Public Affairs, Arizona Chamber of Commerce, said she did not indicate a position on the bill, specifically because the Chamber did speak directly with the bill sponsor after the first committee hearing. She said the sponsor and the Chamber were both amenable to the Solomon amendment. The Chamber is neutral on the bill and would be happy to move forward and assist.

The motion to ADOPT the 5-line Solomon amendment CARRIED by voice vote (Attachment FF).

Senator Bee moved S.B. 1266 be returned with an AS AMENDED, DO PASS recommendation.

Chairman Solomon announced the following people were present in support of the bill: **Allison Bones, Policy Advocate, Arizona Coalition Against Domestic Violence; Jennie Gorrell, representing the Arizona Business of Professional Women; Charles Huggins, Secretary/Treasurer, Arizona State AFL-CIO; Joy Marx-Mendoza, a Presbyterian, representing himself; and David Mendoza, Legislative Director, AFSCME Council 97.**

Ian Calkins, Vice President of Public Affairs, Greater Phoenix Chamber of Commerce, was present in opposition to the bill.

The motion CARRIED by a roll call vote of 10-0-2 (Attachment 24).

S.B. 1305 - apprenticeship study committee - DISCUSSION/HELD

Jed White, Commerce Intern, explained S.B. 1305 establishes a non-member apprenticeship study committee to evaluate current Arizona apprenticeship programs and to recommend solutions to increase the number of skilled craft workers in this State. Mr. White clarified that S.B. 1305 has not passed the Commerce Committee. There would be an amendment offered in the Commerce Committee on Wednesday, which makes a technical correction with respect to the reporting requirement date.

Chairman Solomon said the bill's sponsor was not here and there was no one present in support of the bill. **Dan Pollard, President, International Brotherhood of Election Workers (IBEW) 640, representing the Arizona AFL-CIO, and Chuck Huggins, Secretary/Treasurer, Arizona State AFL-CIO**, were both present in opposition to the bill.

Senator Cirillo asked why this legislation was before the Appropriations Committee because it has such a minimal expense. Chairman Solomon asked Mr. Huggins if he could inform the Committee why he is opposed to the bill.

Mr. Huggins, Chairman of the Apprenticeship Advisory Council for the State of Arizona, said the biggest reason the Council is opposed to the bill is because it is not needed. The Department of Commerce has informed him that they do not like this bill. They, as a committee, are willing to work with any group of people, referring to the Apprenticeship Advisory Council, to try to do whatever needs to be done to get an apprenticeship in this State. He pointed out that another study committee is not needed.

Chairman Solomon announced that she would HOLD S.B. 1305.

Tape 2, Side B

S.B. 1498 - occupational safety training; education - DO PASS AMENDED

Jennifer Forkish, Commerce Intern, explained S.B. 1498 establishes a safety training and education fund to assist with bilingual occupational safety and health training. The fund will consist of 20 percent of the civil penalties collected from violations of occupational and safety health laws. The Commerce Committee adopted an amendment that requires the Industrial Commission of Arizona to approve the Arizona Division of Occupational Safety and Health's (ADOSH's) use of monies in the safety training and education fund, and it also specifies that monies in the fund will be used for the purpose of education and training employees in occupational safety and health standards, including bilingual training. The amendment also allows non-profit organizations to receive funding to develop grant programs for occupational safety and health education and training. It removes language specifying that associations applying for the grant programs must reside in this State. There were two proposed amendments offered to the bill. The 10-line Solomon amendment dated March 1, 2001, 3:53 p.m., is identical to the Commerce Committee amendment, which was previously adopted. The 2-line Solomon amendment, dated March 1, 2001, 3:54 p.m., reduces the amount of monies appropriated from the state general fund for the creation of the safety training and education fund from 20 percent to 10 percent.

Senator Martin asked what the fund that is being reduced to 10 percent is currently being used for now. Ms. Forkish said this is money currently collected by ADOSH for violations of safety and health training. This money is currently deposited into the state general fund.

Chairman Solomon said the bill's sponsor, Senator Lopez, was not present. She asked Senator Rios if he spoke to Senator Lopez about this bill.

Senator Rios said he did speak to Senator Lopez briefly. Senator Lopez indicated that this is an issue that is ever increasing in the work world and an issue that he felt needed to be addressed. Senator Rios said he believes Senator Lopez did speak with other people and entities, but he did not know whether he spoke to the labor force. Chairman Solomon noted there is support from the Labor Force.

Charles Huggins, Secretary/Treasurer, Arizona AFL-CIO, said most of the information on hazardous materials and the safety provisions used by employers in order to train employees is in English. The bill would take some money from the ADOSH fund, a fund where violators of OSHA are fined, and use it to train people in languages other than English. He said the Council feels this

is a good bill. It is going to help workers be safer on the job and help employers keep their workers safe.

Chairman Solomon asked if federal law requires the State to do this currently. Mr. Huggins said no.

Senator Guenther said this is an ADOSH program, which is approved by the U.S. Department of Labor and he is curious as to why the U.S. Department of Labor does not recognize a bilingual requirement. Mr. Huggins said the business community brought this bill to the Industrial Commission, recognizing that **Scot Butler, Attorney, representing the Industrial Commission of Arizona**, was present in the audience. Mr. Butler confirmed that the Commission is in support of the bill. Mr. Huggins said this is a business bill and not the Council's bill. The Council supports it because of the workers' rights in it.

Chairman Solomon noted that **Brett Jones, Director of Governmental Affairs, Arizona Contractors Association**, in support of the bill, was present to speak if necessary.

Senator Bee moved S.B. 1498 be returned with a DO PASS recommendation.

Senator Bee moved the 10-line amendment dated 3/1/01; 3:53 p.m. be ADOPTED. The motion CARRIED by voice vote (Attachment GG).

Senator Bee moved the 2-line Solomon amendment dated 3/1/01; 3:54 p.m. be ADOPTED. The motion CARRIED by voice vote (Attachment HH).

Senator Bee moved S.B. 1498 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED by a roll call vote of 8-3-1 (Attachment 25).

Senator Guenther explained his vote. He is not sure that there is a need for these translations or in fact the monies are not already available somewhere to make these translations. So meanwhile, he is going to vote "no."

Senator Bee explained his vote. He concurs with Senator Guenther and votes "no."

**S.B. 1517 - department of housing; financing authority - DO PASS AMENDED/STRIKE-
EVERYTHING**

Julie Szperling, Commerce Analyst, said the strike-everything amendment being proposed to S.B. 1517 is an engrossed version of the strike-everything amendment and the two amendments to the striker adopted last week in Commerce Committee. The 33-page Solomon strike-everything amendment, dated March 1, 2001, 3:58 p.m., transfers existing housing development programs from the Department of Commerce to the Office of Housing Development created in the Governor's Office and, ultimately, to a new Arizona Department of Housing. The striker also establishes the Arizona Housing Finance Authority, a bond issuance authority to specialize in affordable single-family and multifamily housing programs for rural Arizona. The amendment also provides for the transition between the Office and the Department on October 1, 2002. The strike-everything amendment addresses the concerns the Industrial Development Authority (IDA) had relating to programs or projects planned for its jurisdiction by requiring the Department, as well as

the Authority, to provide notice and local comment or consent for respective programs and projects.

Senator Bee moved S.B. 1517 be returned with a DO PASS recommendation.

Senator Bee moved the Solomon strike-everything amendment dated 3/1/01; 3:58 p.m. be ADOPTED.

Senator Cirillo said this might be helpful with staffing the prisons. Many of the people the State wants to hire are not able to get reasonably priced housing because most of the prisons are in the rural areas.

Chairman Solomon said she thinks this is something that is very appropriate and is glad to sponsor the amendment.

The motion to ADOPT the Solomon strike-everything amendment CARRIED by voice vote (Attachment II).

Senator Bee moved S.B. 1517 be returned with an AS AMENDED, DO PASS recommendation.

Chairman Solomon announced the following people were present in support of the bill: **Mike Bielecki, Assistant to Governor Hull; Wendy Briggs, Attorney, Arizona Bankers Association; Scot Butler, Member, Arizona Housing Commission; and Steve Capobres, Housing Director, Arizona Department of Commerce.**

The motion CARRIED by a roll call vote of 11-0-1 (Attachment 26).

There being no further business, the meeting was adjourned at 11:23 a.m.

Respectfully submitted,

Melissa C. Upshaw, Committee Secretary

(Tapes and attachments on file in the Secretary of the Senate's Office/Resource Center, Room 115.)